

Leif R. Sigmond  
215 Comanche Drive  
Oceanport, N.J. 07757  
201-229-9510

July 13, 1983

Honorable Reginald Stanton  
Superior Court of New Jersey  
228 Hall of Records  
Newark, New Jersey 07102

Re: State of New Jersey, Department of Environmental Protection v.  
Scientific Chemical Processing, Inc. et al.  
Docket Number: L-1852-83E

Dear Judge Stanton:

I received on Friday, July 15, a copy of the proposed order Mr. Reger was submitting following your ruling at the hearing July 7, 1983.

Paragraph 5 on page 3 does not correspond to my recollection of your rulings as I understood them. I did not understand you to require that "defendants, Leif R. Sigmond and Dominick Presto shall submit plans for cleanup of the Carlstadt site to the Court and all parties by August 5, 1983." In complying with your original revised order dated June 16, 1983, paragraph 5 on page 4, I submitted a detailed financial plan showing that I am incapable financially to finance such a plan. I could not individually negotiate in good faith with any cleanup contractor since I would have no means to pay for the services. However I shall be happy to participate in any meeting or in any other way cooperate to get the cleanup of both sites accomplished.

Very truly yours,

  
Leif R. Sigmond

CC: David W. Reger/DAG  
Harriet Sims Harvey, Esq.  
→ Edward J. Egan, Esq.  
Paul S. Barbire, Esq.  
Herbert G. Case

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Leif R. Sigmond  
215 Comanche Drive  
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201-229-9510

**RECEIVED**

**JUL 1 1983**

**REGINALD STANTON**

June 30, 1983

J.S.C.

Honorable Reginald Stanton  
Superior Court of New Jersey  
228 Hall of Records  
Newark, New Jersey 07102

Re: State of New Jersey, Department of Environmental Protection  
v. Scientific Chemical Processing, Inc. et al.  
Docket No. L-1852-83E

Dear Judge Stanton:

As per your revised Order filed June 16, 1983, I am submitting a detailed financial plan showing that I am incapable of contributing to or paying for cleanup.

I am enclosing my financial statement (Exhibit A) as of May 26, 1983 prepared by Ellis M. Hoch, Certified Public Accountant.

Cash in bank consist of Checking Account No. 559-948-8 with New Jersey National Bank, Oceanport Office, Oceanport, N.J. 07757 and remains essentially the same as it was as of May 26 Statement. Bank statement as of June 15, 1983 is enclosed as Exhibit B.

I presently own a 50% interest in a partnership known as Sigmond and Presto, 18 Glen Road, Rutherford, New Jersey. As of December 31, 1982, the partnership had a net worth of \$ 101,565.-, making my 50% interest worth approximately \$ 50,793.- (see copy of Balance Sheet attached hereto as Exhibit C). The assets of the partnership consist of two pieces of industrial property, several hundred dollars in cash and tenants' security deposits being held in escrow. Of the real property owned, one piece is located at 411 Wilson Avenue, Newark, New Jersey. This piece of property is valued at approximately \$ 125,000.- but is subject to a mortgage to the National Community Bank, Carlstadt, New Jersey in the amount of \$ 105,913.- and the lien imposed by your order. The second piece of real property is located at 225 Broad Street, Carlstadt, New Jersey. This property is valued at \$ 211,400.- but is subject to a mortgage to the National Community Bank, Carlstadt, New Jersey in the amount of \$ 72,019.- and the lien imposed by your order. In addition to the mortgage loans noted above, the partnership has liabilities consisting of \$ 60,288.- due in notes and loans payable and \$ 9,009.- owed as tenant security deposits. As noted the value of the Newark property was based on negotiation for sale of this property. However, since this sale was never consummated and since the estimates for cleanup of the property apparently may run in the hundreds of thousands of dollars, the net worth stated above may well turn out to be zero or even negative.

I presently own a piece of unimproved real property in Ocean Shores, Washington. That piece of property is described as Division 4, Lot 649 on the tax map of Grays Harbor County in the State of Washington. The property has a value of approximately \$ 3,800.- (see Exhibit D).

I presently own 50% of the stock of Scientific Environmental Control Systems, Inc, a New Jersey Corporation, P.O.Box 118, Oceanport, New Jersey. The Corporation is no longer actively engaged in business, has no employees, and is in the process of disposing of its remaining assets which as of May 26, 1983 consisted of two trailers and one pick-up truck having a total fair market value of approximately \$ 4,100.- together with approximately \$ 5,700.- in cash. Since then the cash has been reduced to \$ 3,054.89 as of June 30, 1993.

As of May 26, 1983 I owed legal fees as follows:

Stein, Bliablias, McGuire & Pontage (Exhibit E)	\$ 41,567.65
Lowenstein, Sandler, Brochin, Kohl, et al (Exhibit F)	6,760.-
Howard A. Rappaport CSR (Exhibit G)	3,162.50
	<hr/>
	\$ 51,489.15

Since that time additional legal fees for transcripts, clipping service, appeal, etc have been incurred. Furthermore, in addition to the liabilities set forth in the May 26, 1983 Statement I also owe \$ 3,040.- to the firm of Levy & Robertson, Esqs., for legal services rendered in connection with a civil matter arising out of my involvement with Scientific Chemical Processing Inc ( See Exhibit H). So even if the real estate owned by Sigmond and Presto had the stated value, I would have a deficit net worth of approximately \$ 4,500.-.

In 1979, a New Jersey State Grand Jury returned indictment No. 51-78-2 against Scientific Chemical Processing, Inc (SCP) and defendants Case, Barnes and myself charging us in 34 counts with illegally discharging chemical wastes into the PVSC system during the period from June 1977 to July 13, 1978. In that indictment we were charged in one count with a conspiracy to discharge pollutants contrary to New Jersey law and to create and maintain a public nuisance (N.J.S.A. 2A:85-1 and N.J.S.A. 2A:93-2), sixteen counts alleging substantive offenses in violation of the New Jersey Water Pollution Control Act (N.J.S.A. 58:10A-1), and seventeen counts alleging the creation and maintenance of a public nuisance (N.J.S.A. 2A:85-1 and N.J.S.A. 2A:85-14). In that State proceeding our motions to dismiss the indictment were granted in part by trial court. On review by the New Jersey Appellate Division, the matter was remanded to the trial court with directions to dismiss the indictment in its entirety against all defendants. The State's petition to the New Jersey Supreme Court was ultimately denied. In the course of the State investigation evidence was seized from SCP's Newark facility pursuant to three search warrants issued by a New Jersey State Judge. We moved in the State Court to suppress the evidence obtained by these searches and seizures, as well as the fruits of that evidence, on the grounds that the affidavits in support of the search warrant failed to establish probable cause to find illegal dumping and on the grounds of misconduct by the affiants in

that they withheld relevant information from the issuing magistrate. By an Order dated April 3, 1991, the trial court granted our motion to suppress on the grounds that the affidavits failed to establish probable cause to find any illegal activity. The trial court never reached the issue of the misconduct.

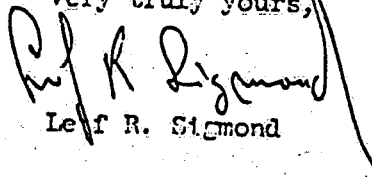
This evidence thus suppressed in the State action was subsequently turned over to the United States Attorney's office by the State of New Jersey for use in their investigation with the result that on or about June 13, 1982, SCP, myself, and two codefendants were indicted by a Federal Grand Jury in the District of New Jersey for conspiracy to commit mail fraud and commission of the substantive offense of mail fraud. (United States District Court for the District of New Jersey Criminal No. 82-200 - DRD) The trial started Jan. 25, 1983 and resulted in a conviction on March 16, 1983. Final judgement was entered on May 23, 1983 and I was sentenced to imprisonment for two years and six months and fined the sum of \$10,000.00 and placed on probation for five years after the discharge of the custodial sentence. A Notice of Appeal was filed on June 1, 1983 through the United States Court of Appeals for the third Circuit from the above Final Judgement.

As a result of these lengthy legal actions I have exhausted all my assets. Until January 31, 1983, I owned an interest in the real property located at 215 Comanche Dr, Oceanport, New Jersey as a joint tenant with my wife, E. Joan Sigmund. Prior to January 31, 1983, the property was encumbered by a mortgage to the New Jersey Mortgage Company, Elizabeth, New Jersey. In an effort to secure funds to pay for my defense, I attempted to obtain a second mortgage on this property. Due to the criminal prosecution against me, I was unable to obtain a second mortgage. I then transferred the property to my wife by way of a deed dated January 31, 1983 (See Exhibit I) and she obtained a second mortgage from the Midlantic National Bank, Bloomfield, New Jersey in the amount of \$42,000.00. The entire proceeds of this mortgage loan were used to pay a portion of the costs and fees which have been incurred to date for my defence in this matter. The property has an assessed value of \$146,000.00 and was valued at between 156,000.00 and 175,000.00 at the time the second mortgage was applied for. The property is now solely in my wife's name and is encumbered by the two mortgages consisting of a First mortgage of \$92,000.00 and a Second mortgage of \$42,000.00 for a total of 134,700.00.

In 1990 Scientific Chemical Processing, Inc. sold certain accounts to Solvents Recovery Service, SRS, 1200 Sylvan Street, Linden, New Jersey. In exchange for my agreement not to compete, SRS agreed to pay me 2.4% of the income which they recieved from these accounts for a period of five years. In 1992, I recieved a total of \$15,263.00 as a result of this agreement. For the first four months of 1993 I recieved a total of \$1970.00. This agreement will terminate on July 3, 1995. Other than the above income, at the present time I am unemployed and received my last salary payment on March 9, 1993.

Due to my age (57 years old), the above agreement not to compete in my field of expertise, my constant timeconsuming involvement in legal matters plus the pending custodial sentence, I have not been able to get started on a new career. This is particularly unfortunate since we have two dependants, one 15 year old in high school and one 13 year old who is preparing to enter college in September.

Very truly yours,

  
Leif R. Sigmond

Edward Egan, Esq

rec'd in Trenton at meeting with DEP (Regu)  
on 7/26/83